

BOARD OF AGRICULTURE, TRADE AND CONSUMER PROTECTION MINUTES

May 16, 2012

The Board of Agriculture, Trade and Consumer Protection met on May 16, 2012 at the Department of Agriculture, Trade and Consumer Protection, 2811 Agriculture Drive, Madison, WI. The meeting was preceded by public notice as required by s. 19.84, Stats.

Call to Order

Board Chair Andy Diercks called the meeting to order at 9:07 a.m.

Members Present

Miranda Leis, Mark Schleitwiler, Andy Diercks, Pam Garvey, Michael Dummer, Margaret Krome and Enrique Figueroa attended. John Koepke and Richard Cates were absent.

Minutes

Motion

Mike Dummer made a motion to approve the March 13, 2012 minutes. Second by Pam Garvey. Motion approved unanimously.

Public Appearances

Kara Slaughter, Wisconsin Farmers Union, Madison, spoke in support of Ch. ATCP 49, relating to Working Lands and Farmland Preservation. This rule would provide an important component in assisting local governments in developing and administering the farmland preservation program within their jurisdictions and create standards for farmland preservation plans and zoning ordinances.

Dr. Margaret Pulera, Darien, spoke on the Dairy 30x20 Initiative. Pulera said the large-dairy in Rock County ships milk to Illinois. Pulera would like more agricultural diversity and, with the water issues the state is currently facing, more dialogue and discussion on how to resolve this issue before continuing to push for large-dairies. Pulera would like more programs and training available for young people who want to begin farming.

Regulation of Dog Sellers (Scope Statement) Ch. ATCP 16

Dr. Bob Ehlenfeldt, State Veterinarian, Animal Health Division Administrator, asked the Board to approve a scope statement related to dog sellers and dog facility operators. This proposed rule would modify current animal health rules related to dog sellers and dog facility operators program. This rule may be revised from the current rule that went into effect on June 1, 2011.

Currently, the following entities must obtain a dog seller license under s. 173.41, Stats:

- Any entity that sells 25 or more dogs in a year, coming from 3 or more litters (including a nonresident who brings dogs into this state for sale).
- Any entity that operates a dog breeding facility (a place at which dogs are bred and raised) from which 25 or more dogs, coming from 3 or more litters, are sold in a year.
- Any entity that operates an auction at which 50 or more dogs are sold or offered for sale in a year.
- Any entity that operates an animal shelter that is used to shelter at least 25 dogs in a year.
- Any entity that operates an animal control facility under a contract with a city, village, town, or county.

Motion

Enrique Figueroa made a motion to approve the scope statement. Second by Mike Dummer. Motion approved unanimously.

Discretion in Rule Violation Enforcement Against Small Business (Scope Statement) Ch. ATCP 1

David Meany, Chief Legal Counsel, asked the Board to approve a scope statement for proposed amendments to current department rules related to enforcement of rules against small businesses. This proposed rule would modify current Ch. ATCP 1, Subch. VII which identifies the discretion the department may use in enforcing rule violations against small businesses.

2011 Act 46 makes changes related to the discretion that an agency can use related to minor violations by small businesses and requires adoption of rules to implement those changes. This rule will affect small businesses who are in violation of department regulations.

Motion

Margaret Krome made a motion to approve the scope statement. Second by Enrique Figueroa. Motion approved unanimously.

Working Lands/Farmland Preservation (Scope Statement) Ch. ATCP 49

Keith Foye and Allison Volk, Agricultural Resource Management Division, asked the Board to approve a scope statement to create rules governing Wisconsin's farmland preservation program. This proposed rule would create Ch. ATCP 49, Wis. Admin. Code, which will aid in the administration of ch. 91, Wis. Stats. The rule will clarify certain provisions in the law related to farmland preservation agreement applications and to certification of farmland preservation plans and zoning ordinances.

This rule will provide clarity to local governments in developing and administering the farmland preservation program within their jurisdictions and will create standards for farmland preservation plans and zoning ordinances that enable DATCP to ensure that plans and ordinances achieve the program's goals of protecting and preserving farmland.

Motion

Miranda Leis made a motion to approve the scope statement. Second by Mike Dummer. Motion approved unanimously.

Regulating Telephone Solicitations, Text Messages and the “No-Call” List (Scope Statement) Ch. ATCP 127

Michelle Reinen, Trade and Consumer Protection Division, asked the Board to approve a scope statement related to telephone solicitations. Existing statutes and rules regulate the practice of making telephone solicitations. Businesses who wish to make telephone contact with consumers must register with DATCP and are prohibited from calling phone numbers on the state's No-Call list.

Pursuant to 2011 Act 197, the provisions of the statute are now extended to text messages as well as phone calls. Enactment of a rule is necessary to bring existing Ch. ATCP 127 into alignment with the recent statutory change. In addition, DATCP proposes to prohibit the telephone solicitation practice called “spoofing” that hides or provides a false telephone number for the solicitor.

Motion

Margaret Krome made a motion to approve the scope statement. Second by Miranda Leis. Motion approved unanimously.

Wisconsin Agricultural Statistics Services (Report)

Bob Battaglia updated the Board on the following:

- Production of cheese and dairy products in the state - Wisconsin ranks number one in the nation and is the only state that offers a specialty cheese product report. There were 586 million pounds of specialty cheese produced in Wisconsin last year.
- Prices of corn were reported at \$5.97 per bushel, soybeans at \$13.60 per bushel, and hay at \$135 a ton. National prices for hay are at \$207 a ton, up from \$161 a ton last year.
- Prices of steers and heifers, cows, calves and hogs were reported.
- April milk prices were down last month at \$17.16. Last year, milk prices were at \$21.10.
- Crops – soil moisture is good around the state, the late winter freeze did a light amount of damage in central Wisconsin. Corn is 57% planted, with 13% emerged. Approximately 5% of hay has been cut, compared to zero cutting at this time last year.
- Growing degree days have doubled due to early warmth in March.
- Surveys –

- Survey on Wine Production. Determine the industry's contribution to the state's economy. Scheduled to go out this summer.
- Survey on whey production. With more value out of whey, Wisconsin would like to promote and get better use of whey.
- Survey on Export Marketing. Businesses come to the department to use the services available for information to export overseas. This survey will determine if the services were useful and assist in determining the future of the services available.
- In order to determine and meet the definition of a farm, multiple meetings are being held with the Hmong, Native American and Hispanic population so the census is more accurate when completed.
- Regionalization – the United States Department of Agriculture is restructuring the National Agricultural Statistics Services. Wisconsin Agricultural Statistic Services (WASS) has shared an office with the Department of Agriculture, Trade and Consumer Protection for 95 years and produces vital reports each year that are unique to Wisconsin and of vital importance to the state's agricultural industry and the Midwestern agricultural region.

Motion

Moved by Margaret Krome requesting staff to draft a resolution for Board approval to encourage the USDA to recognize the close working relationship of NASS and WASS and the State of Wisconsin when making changes in the current Wisconsin operations during the time of national reorganization. Second by Pamela Garvey. Motion approved unanimously.

Grow Wisconsin Dairy Producer Grant and Loan Program (Hearing Draft) ATCP 161

Nicole Breunig, Agricultural Development Division, asked the Board to authorize public hearings on a proposed rule related to a dairy producer grant and loan program. The department adopted an emergency rule which took effect on March 30, 2012 that has the same provisions as the proposed permanent rule.

DATCP is authorized to award grants and loans to dairy producers for projects designed to promote the growth of the dairy industry. DATCP received an annual appropriation in the biennial budget to make grants and loans to dairy producers designed to promote the growth of the dairy industry.

This rule implements the “grow Wisconsin dairy producer” program and does the following:

- Authorizes DATCP to make grant and loan awards and distribute grant and loan funds appropriated for the “grow Wisconsin dairy producer” program.
- Spells out the procedures and criteria that DATCP will use to evaluate grant and loan proposals, make grant and loan awards and distribute grant and loan payments.
- Spells out the purposes for which grant and loan funds may be used, subject to the terms of the grant or loan contract.

Motion

Motion made by Mike Dummer to authorize public hearings and approve the hearing draft rule. Second by Miranda Leis. Motion approved unanimously.

DATCP Employment Activities (Report)

Barry Wanner, Human Resources Director, updated the Board on employment within the Department of Agriculture, Trade and Consumer Protection. He reported on age distribution, years of service, gender, years of service versus age, authorized Full Time Employees, employees leaving DATCP (retirement, resignation and resignation to work at another state agency) and retirement potential.

Alice in Dairyland (Report)

Katie Wirkus, Wisconsin's 64th Alice in Dairyland, graduated from the University of Wisconsin-River Falls, earning degrees in agricultural education and mathematics. Following her contract year as Alice in Dairyland, Katie will teach middle school math in her home town of Edgar, WI.

Throughout her time as Alice, Katie focuses on two key messages that reflect the goals and work plan of DATCP, adopting them based on the audience:

- Agriculture is a diverse industry vital to Wisconsin's economic development, generating a \$59.16 billion annual impact.
- Buying Wisconsin grown and produced products supports Wisconsin agriculture and local farmers, producers, communities and economies.

As of April 26, 2012, Katie:

- Generated media coverage with 73 television station interviews, 204 radio interviews and 141 print interviews and 138 internet postings featuring key messages.
- Gave 411 speeches that included at least one of the key messages.
- Developed and executed 3 industry partnerships for campaign blitzes.

Selection for the 65th Alice in Dairyland will be held in Grant County May 17-19, 2012.

Buy Local, Buy Wisconsin Economic Development Program (Report)

Teresa Engel, Economic Development Consultant and Jen Pino-Gallagher, Bureau Director, Division of Agricultural Development, updated the Board on the Buy Local, Buy Wisconsin (BLBW) program.

The BLBW program has worked to reduce the marketing, distribution, and processing hurdles that impede the expansion of sales of Wisconsin's food products to local purchasers. The BLBW program has worked with, and assisted, many organizations and businesses to illustrate proven

success by creating models for others in the state to utilize and increase sales of Wisconsin grown food products.

From 2008-11, these businesses and organizations have reported over \$4 million in new local food sales, over \$640,000 in new investments, 51 new job creations, 50 jobs retained and over 1,900 producers benefited from these grants in 796 markets.

In addition, the BLBW program continues to provide assistance to individual farms through one-on-one technical assistance, address industry hurdles, and enhance statewide networking of local food systems.

Organic Agriculture in Wisconsin: 2012 Status Report

Laura Paine, Grazing and Organic Agriculture Specialist, Division of Agricultural Resource Management, Dr. Erin Silva, UW –Center for Integrated Agricultural Systems (CALs), and Ken Sequine, Hay River Pumpkin Seed Oil, provided the Board the 2012 Organic Agriculture in Wisconsin Status Report.

This report is a biennial publication compiled in a cooperative effort between UW- CALs, the department, and the Wisconsin Organic Advisory Council. It provides statistical benchmarks documenting growth in the organic sector in Wisconsin from a variety of sources including the Census of Agriculture, other National Agricultural Statistics surveys, and surveys conducted by DATCP, CALs and others in Wisconsin.

As of 2011, Wisconsin has a total of 204 organic processing companies, including 62 dairy processors, 24 fruit and vegetable processors, 24 input suppliers (suppliers of farming inputs), 20 meat and poultry processor, 20 beverage companies, 18 ingredient companies, 14 grain and bread products companies, 10 snacks and condiments companies, 6 oil and nut butter processors, 3 cosmetics companies, and 3 distribution companies. One such company is Ken Sequine's Hay River Pumpkin Seed Oil company. In addition to sharing samples of the oil on bread, Ken shared with the board the background of his company and its planned future. Ken is an organic business representative on the Organic Advisory Council.

Board Member Matters

Enrique Figueroa: A task force was established by the Chicago Council on Foreign Affairs in which Figueroa is a member. This taskforce is responsible for submitting a report to Congress on immigration reform. The task force is comprised of many non-partisan, high-level members, including former Governors of Illinois, South Dakota and Iowa. The report is to be submitted December 1, and the first draft of the report will circulate on September 27. Hearings will be conducted in Minnesota, Detroit, Indianapolis and Chicago. The report is specific to the needs of the Midwest concerning immigration issues. The recall election is scheduled for June 5. Figueroa asked about the process and transition if a new Governor is elected.

Pam Garvey: Conditions in North Western Wisconsin are good, personal corn planting is completed, and canning crops will not be planted until June. On May 15, the first crop hay was cut and drying.

Margaret Krome: The House has established its mark-up of the Farm Bill, which will be the week of June 4 in the Agriculture Subcommittee of the Appropriations Committee. The Senate Farm Bill is expected to come to the floor in the future.

Mike Dummer: In West Central Wisconsin, the vast majority of corn is planted as well as 50% of soybeans. Some first hay is being cut, with plenty more planned in the next week. Some areas were hit hard with hail in Arcadia and Waumandee. There was no corn up at that point, but the hay had grown to approximately a foot tall and was pounded to the ground, but has continued to grow. Dummer spent three weeks in New Zealand and Australia. A large amount of natural gas is used there and 80% of agriculture is cows and sheep.

Mark Schleitwiler: Belgioioso Cheeses broke ground on a new cheese plant in Oconto County, with goal of producing cheese by the end of the year. The Cheese Makers Technology Exposition in Milwaukee was well attended. A key group of individuals and businesses donated \$6 million of the \$16 million needed to for the Babcock Hall renovation. Wisconsin milk supply is growing faster than the national average, even with the loss of farms through retirements and buyouts. A continuing increase of milk supply will grow companies and supply jobs.

Miranda Leis: On the farm, the first hay crop is being harvested at the same time corn is being planted. Preparations are occurring for the June Dairy breakfast which her neighbors are hosting. The kids are ready for school to wrap up and to begin their 4-H projects. Organic Valley, in partnership with Gunderson Lutheran Hospital in La Crosse, has erected two new wind turbines in Cashton, which are expected to be generating power within two weeks to Cashton residents. Organic Valley will be breaking ground next month in Cashton with an expansion of a high density automated storage retrieval warehouse which is being managed by Leis. There are four main priority power-line routes planned in her area, one of which would force Leis to relinquish some land rights. Stray voltage is a very common issue with these types of power-lines.

Andy Diercks: In Central Wisconsin, potato crops are being planted one to two weeks early and corn planting is done. 4-8 inches of rain fell within a 5-6 day period in very flat sandy grounds. Associations continue to discuss high capacity well and water issues, with a meeting scheduled next week on the Central Wisconsin Ground Water Initiative. The McCain contract has been settled with disappointment that it is only a one year deal.

Secretary's Report

Secretary Brancel updated the Board on the following:

30x20 Program

The Governor's 30x20 Program was created to help farmers find the right resources to stay productive and profitable in the dairy industry by producing 30 billion pounds of milk by the year 2020. The program is not endorsing the type of farming that is done, but focused on retaining and producing the pounds of milk needed in Wisconsin.

The grow Wisconsin dairy producer program has received 76 applications for the grant program that came to the department from the former Department of Commerce. Next month, an up-to-date report will be given on the 30x20 program.

CRM Project

The Customer Relationship Management (CRM) program, driven by the information technology division, has brought on the branded animals program as a test run. Other projects include uploading 4,000 county fair judges to be used by counties to select judges for competitions. Additional work with the Dog Sellers Program will allow people to apply for applications and pay license fees online. Eventually, the entire department will be switched over to CRM.

Lawsuit in Mississippi Watershed

There is a lawsuit pending in the Mississippi Watershed being brought by environmental groups against the Environmental Protection Agency (EPA), to force the EPA to make changes in administering the Clean Water Act within the Mississippi Watershed. The Department has been communicating with Washington, DC, and having conversations with other states on how agriculture groups can participate in discussion in the event there are impacts with the agreements affecting agriculture.

Purchase of Agricultural Conservation Easements (PACE)

To date, six projects in the PACE program have been closed and paid out. There are three projects awaiting reimbursement, due to incomplete documentation from the entities involved in the presentation of the project. There are six projects still in progress in different stages of the process. Even with PACE contracts in place, the expansion of highways and erection of power lines take precedence over any conservation easement.

Sharepoint

Sharepoint is an internal agency program in which department staff will have immediate access to all agency rules in progress. Scope statements, hearing drafts and other rule materials will be entered into the system and accessible to staff only. In the future, there is the potential for the public to have access.

Guest Worker Issues

The National Association of State Departments of Agriculture have been holding bi-weekly teleconferences on the guest worker issue. Various states were very aggressive in making changes to NASDA policy. The recommendations are almost refined to where Wisconsin may offer support of the changes, but are awaiting the final version to be printed. It is vital Congress address guest worker issues in order to have a viable workforce without the threat of employers being harassed on a regular basis.

Milk Prices

Milk prices in Wisconsin have a very significant impact on the state's economy. Even though there was a drop in milk price this past month, it was not as severe as what was predicted. Milk payments made to farmers in Wisconsin are more beneficial than the payments to those in California.

Schedule and Future Agenda Items

Deputy Secretary Jeff Lyon updated the Board on the upcoming Schedule. The Board will meet in Green Bay June 14, and tour the Belgioioso Cheese Plant. There will be not July meeting and the Board will meet in Madison August 14. Secretary Brancel will provide an update on the guest worker program at the next meeting.

Adjournment

By unanimous consent, the Board adjourned at 2:35 p.m.

Andy Diercks, Board Chair

John Koepke, Secretary